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23 MATERION CORPORATION

24 **UNITED STATES DISTRICT COURT**

25 **DISTRICT OF NEVADA**

26 MATERION CORPORATION, an Ohio
27 corporation,

28 CASE NO. 2:14-cv-02006-KJD-GWF

29 **CONSENT JUDGMENT AND
30 PERMANENT INJUNCTION**

31 AQUA REGIA SOLUTIONS LLC, a
32 Nevada limited liability company;
33 ASALIENT LLC, a Nevada limited
34 liability company; and SUNDARAJAN
35 MUTIALU an individual,

36 Defendants.

37 Pursuant to Federal Rules of Civil Procedure 58 and 65, plaintiff Materion Corporation
38 ("Materion") and defendants Aqua Regia Solutions LLC, Asalent LLC, and Sundarajan Mutialu
39 (collectively, "Defendants"), jointly consent to and seek that the Court enter a stipulated
40 Judgment and Permanent Injunction against Defendants.

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Pursuant to the stipulation of the parties, the parties ask that the Court enters the following findings and conclusions:

1. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(a), *et seq.*

2. The Court has personal jurisdiction over Defendants.

3. Venue is proper in this District under 28 U.S.C. § 1391.

4. Defendants consent to the entry of this Consent Judgment and Permanent Injunction, and Defendants have the legal capacity to carry out all obligations and requirements herein.

5. On December 2, 2014, Materion commenced this action against Defendants for misappropriation of trade secrets, conversion, and tortious interference.

6. Materion has alleged, and Defendants do not dispute, the following:

a. Materion develops, manufactures and markets highly engineered advanced materials for global customers across a wide range of markets. Materion serves customers in more than 50 countries and has operations, service centers and major office locations throughout North America, Europe, and Asia.

b. Over many years, and through substantial time, effort and resources, Materion has developed confidential and proprietary trade secret information relating to, among other things, specialty engineered alloys, beryllium and non-beryllium metal and metal matrix composites, engineered clad and plated metal systems, precious and non-precious specialty metals, precision optic fibers, inorganic chemicals and powders, specialty thin film coatings, fabrication, material recycling and reclamation processes, surface treatments and metal inventory management.

c. Materion uses reasonable means to safeguard its valuable confidential and proprietary trade secret information. The time, effort and research and development that Materion has devoted to its products, services, processes and technologies and to the creation and maintenance of its confidential and proprietary trade secret information mandate that this

1 information not be made public or Materion will lose the valuable competitive advantage
 2 resulting from it.

3 d. From June 2, 2008 to January 31, 2013, Dr. Petr Dedek was employed by
 4 Materion's wholly-owned subsidiary, Materion Czech, s.r.o. ("Materion Czech"), as its General
 5 Manager.

6 e. Dr. Dedek executed an employment agreement that obligated him to keep
 7 secret all confidential information and business secrets of Materion Czech and its business
 8 affiliates both during the term of his employment and thereafter.

9 f. Dr. Dedek's employment agreement further obligated him to report any
 10 inventions he made during the course of his employment with Materion Czech and provided that
 11 any related patent rights would inure to Materion Czech. Dr. Dedek was also obligated to follow
 12 Materion's Intellectual Property Patents Policy that required him to maintain notebooks to keep
 13 dated records of all inventive activities and provided that all inventions made by an employee
 14 relating to Materion belonged to Materion.

15 g. As the parent corporation to Materion Czech, Materion was and is the
 16 intended beneficiary of Dr. Dedek's employment agreement.

17 h. During the term of his employment with Materion Czech, Dr. Dedek
 18 worked with Dr. Matthew Noble, a senior refining technology chemist employed by Materion, in
 19 assessing, formulating, and further developing a method for removal and recovery of metals and
 20 precious metals from substrates, as further described in U.S. Provisional Patent Application Serial
 21 No. 61/575,976, U.S. Patent Application No. 14/241,105, U.S. Patent Application No. 14/562,340,
 22 PCT Application No. PCT/EP2012/003622 and EP Application No. 12772876.4 ("the Invention").
 23 The Invention allows for the recovery of gold, platinum, and other precious metals using
 24 chemical methods of stripping, separating and purifying the metals from different substrates that
 25 result in high yields and purity of the precious metals while preserving the substrate. The
 26 Invention was intended to improve the precious metals reclamation programs already being
 27 offered by Materion.

1 i. The Invention was developed through the use of Materion's equipment,
 2 resources, and materials within the scope of the employment of Dr. Dedek and Dr. Noble by
 3 Materion.

4 j. A final invention disclosure record signed by Dr. Dedek and emailed to
 5 Dr. Noble in August of 2011 provided that all information contained therein is proprietary and
 6 confidential information of Materion.

7 k. Materion prepared and filed with the U.S. Patent and Trademark Office a
 8 confidential U.S. provisional patent application based upon the Invention. This became U.S.
 9 Provisional Patent Application Serial No. 61/575,976 (the "Provisional Patent Application").

10 l. From the time the Provisional Patent Application was filed, Materion has
 11 been using the Invention internationally and confidentially within the scope of services provided
 12 to its clients and customers.

13 m. Materion ultimately elected not to pursue patenting the Invention, but to
 14 maintain it as a trade secret and allow the Provisional Patent Application lapse.

15 n. Dr. Dedek, without the knowledge or permission of Materion, filed a
 16 Patent Cooperation Treaty application wrongfully claiming priority to Materion's Provisional
 17 Patent Application and the Invention described therein. The PCT application, Application
 18 No. PCT/EP2012/003622 ('622 application) was filed by Dr. Dedek on August 29, 2012.

19 o. The '622 application contained Dr. Noble's contribution to the Invention,
 20 but Dr. Dedek failed to identify Dr. Noble as an inventor. The '622 application was published on
 21 March 7, 2013 as PCT Publication No. WO 2013/029785. Publication of the '622 application
 22 disclosed certain of Materion's trade secrets and know-how, thereby destroying their value and
 23 causing irreparable harm to Materion.

24 p. Dr. Dedek then filed, again without Materion's knowledge or permission,
 25 patent applications in the European Patent Office and U.S. Patent Office in February 2014, basing
 26 priority on the '622 application and Materion's Provisional Patent Application. The EP patent
 27 application is EP Application No. 12772876.4, which was published on July 9, 2014 as EP

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1 2751296, and the U.S. patent application is U.S. Patent Application Serial No. 14/241,105, which
 2 was published on June 24, 2014, as U.S. Patent Publication No. 2014/0165786.

3 7. On April 17, 2014, defendant Mutialu, on behalf of Aultimut International, LLC,
 4 and Dr. Dedek, individually and on behalf of Pureon, New Aqua Regia and “other DBA’s,”
 5 entered into a Mutual Confidentiality Agreement in connection with pursuing a business
 6 relationship.

7 8. On May 14, 2014, defendant Mutialu organized defendants Aqua Regia Solutions
 8 LLC and Asalient LLC for purposes of marketing and monetizing current and future assets of
 9 Dr. Dedek, including the licensing of the ‘622 application, EP Application No. 12772876.4, and
 10 U.S. Patent Application Serial No. 14/241,105, which embodied Materion’s Invention.

11 9. On June 27, 2014, Dr. Dedek, individually and on behalf of Pureon, New Aqua
 12 Regia Solutions, and “all DBA’s,” and defendant Mutialu, individually and on behalf of Aultimut
 13 International, LLC, entered into an agreement whereby Mutialu agreed to assist Dr. Dedek with
 14 the management, planning, marketing, and monetizing of current and future assets, developing
 15 any new material, planning and implementing growth strategies, initiating new business ventures,
 16 and developing business ventures already started.

17 10. Materion has alleged and Defendants do not dispute that subsequent to
 18 Dr. Dedek’s filing of the patents identified above and the incorporation of Aqua Regia Solutions
 19 and Asalient, Materion learned of Dr. Dedek’s theft of the Invention and his plans to exploit the
 20 Invention and instituted this action.

21 11. Upon learning of the misconduct of Dr. Dedek alleged by Materion, Defendants
 22 stipulated to a preliminary injunction.

23 12. Materion has alleged and Defendants do not dispute that Materion is the rightful
 24 owner of the Invention, and of all rights, title and interest therein including, but not limited to, all
 25 patent rights.

26 13. Materion has alleged and Defendants do not dispute that the Invention is
 27 comprised of what was Materion’s valuable confidential and proprietary trade secret information.

1 14. Materion has alleged and Defendants do not dispute that Dr. Dedek filed the '622
 2 application, EP Application No. 12772876.4, and U.S. Patent Application Serial No. 14/241,105,
 3 without Materion's knowledge or consent and such patent applications are alleged to wrongfully
 4 claim priority to Materion's Provisional Patent Application and the Invention.

5 15. Materion has alleged and Defendants do not dispute that Dr. Dedek improperly
 6 disclosed valuable confidential and proprietary trade secrets belonging to Materion through his
 7 filing of the '622 application, EP Application No. 12772876.4, and U.S. Patent Application Serial
 8 No. 14/241,105 thereby causing irreparable harm to Materion.

9 16. Materion has alleged and Defendants do not dispute that Dr. Noble assisted in the
 10 development of the Invention and that Dr. Dedek failed to disclose him as an inventor in the '622
 11 application, EP Application No. 12772876.4, and U.S. Patent Application Serial No. 14/241,105.

12 Defendants represent, covenant, and certify as follows:

13 1. Defendants and their attorney, Thomas Peterson, have documents in their
 14 possession that refer or relate to the Invention or Dr. Dedek. Defendants hereby waive any
 15 attorney-client privilege that could be asserted respecting these documents.

16 2. Defendants hereby and for all time and all places waive and disclaim any right,
 17 title, or interest in and to the Invention and/or the '622 application, EP Application
 18 No. 12772876.4, and U.S. Patent Application Serial No. 14/241,105.

19 3. To date, the only marketing or use of the Invention or related technologies or
 20 services by any Defendant and any agents, representatives, attorneys, entities, or persons acting
 21 on their behalf or in concert with any of them is the activity that was reflected on the website at
 22 the domain name aquaregiasolutions.com ("Aqua Regia Solutions Website"), which went online
 23 starting approximately November 6, 2014, was taken down in December 2014, and remains down.
 24 There has been no other activity in connection with the Invention or related technologies or
 25 services by any Defendants or any agents, representatives, attorneys, entities, or persons acting on
 26 their behalf or in concert with any of them that would constitute, in whole or in part, using, selling,

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1 licensing, marketing, commercializing, assigning, communicating with prospective customers or
2 investors, or engaging in research and development.

3 4. There has been no assignment, license or sale of the Invention or any related
4 technologies or services to any Defendant or any agents, representatives, attorneys, entities or
5 persons acting on their behalf or in concert with any of them.

6 5. Defendants reasonably believe they have sufficient control over the prosecution of
7 U.S. Patent Application Serial No. 14/241,105 to compel continued suspension of examiner
8 action on the application with the U.S. Patent and Trademark Office. This control over the
9 application is based upon the express representation of Dr. Dedek, the patent applicant, to
10 Defendant Mutialu and his attorney, Thomas L. Peterson, that all things necessary to protect
11 Defendants from any adverse action by Plaintiff be done. Further, in the event that Defendants or
12 their counsel learn that Dr. Dedek seeks to conduct himself contrary to his express representation,
13 Defendants and their counsel will forthwith notify Dr. Dedek of the adverse implications to
14 Defendants of any such conduct. In the event that Defendants or their counsel learn that
15 Dr. Dedek has acted or intends to act in contravention of his representation, or if Dr. Dedek
16 terminates his relationship with Mr. Peterson, Defendants will forthwith notify Plaintiff's counsel
17 of such action.

18 6. Defendant Mutialu will voluntarily testify at a deposition in Orange County,
19 California.

20 NOW, THEREFORE, it is hereby ORDERED and DECREED as follows:

21 A. Defendants, their successors, officers, servants, agents, attorneys, and employees,
22 and anyone acting in active concert or participation with or at the behest of them, are hereby
23 permanently and globally enjoined and restrained from:

24 (i) using, promoting, advertising, marketing, monetizing, selling, offering for
25 sale, taking a license or assignment in, or licensing or offering for license the Invention or any
26 patent or patent application that embodies the Invention including, but not limited to, the '622
27 application, EP Application No. 12772876.4, and U.S. Patent Application Serial No. 14/241,105;

(ii) assisting, directly or indirectly, with the prosecution of any patent applications that claim priority to the Provisional Patent Application and/or embody the Invention including, but not limited to, the '622 application, EP Application No. 12772876.4, and U.S. Patent Application Serial No. 14/241,105, except to the extent necessary to comply with Paragraph B below;

(iii) challenging, directly or indirectly, Materion's ownership in or the validity of the Invention or any patents or patent applications that embody it;

(iv) communicating, directly or indirectly, with Dr. Dedek with respect to the Invention, the ‘622 application, EP Application No. 12772876.4, and U.S. Patent Application Serial No. 14/241,105, except to the extent necessary to comply with Paragraph B below; and

(v) working directly or indirectly with Dr. Dedek to commercialize and market the Invention, the '622 application, EP Application No. 12772876.4, and U.S. Patent Application Serial No. 14/241,105.

B. Consistent with and pursuant to Paragraph 5 on page 8 of this Consent Judgment and Permanent Injunction, Defendants shall take all necessary measures to compel the continued suspension of examiner action on U.S. Patent Application Serial No. 14/241,105 until such time as Materion may direct otherwise.

C. Within thirty (30) days from the date of the entry of this Consent Judgment and Permanent Injunction, Defendants shall turn over to Materion any and all electronically stored information and hard copy documents referring or relating to Dr. Dedek, the Invention or the Provisional Patent Application and then shall immediately destroy any and all copies of any such electronically stored information and hard copy documents remaining in their possession. Notwithstanding the foregoing, Defendants' counsel Steven J. Parsons may retain one copy of his case file for this litigation. The case file retained by Mr. Parsons shall be used for record keeping purposes only.

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1 D. Defendant Mutialu will cooperate with Materion in scheduling and appearing as
2 scheduled for a deposition, which shall be set within sixty (60) days from the date of the entry of
3 this Consent Judgment and Permanent Injunction.

4 E. As of the date of the entry of this Consent Judgment and Permanent Injunction,
5 Materion's Complaint will be dismissed with prejudice and Defendants are barred from bringing
6 any claim against Materion that could have been brought in this action. Materion will file its
7 notice of dismissal with prejudice within fourteen (14) days after the filing of this Consent
8 Judgment and Permanent Injunction.

9 F. The terms of this Order are binding on and enforceable by and against the parties'
10 successors and assigns.

11 G. The Court shall retain jurisdiction over this Consent Judgment and Permanent
12 Injunction and the parties for purposes of enforcement, including, but not limited to, adjudicating
13 an allegation of non-compliance and awarding sanctions for any violations.

14 H. Unless in connection with possible further litigation regarding non-compliance
15 with this Consent Judgment and Permanent Injunction, neither party shall have any right to a trial
16 or an appeal.

17 I. This Consent Judgment and Permanent Injunction is a final judgment terminating
18 all claims by all parties, bilaterally, in this action and is made part of the public record.

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1 STIPULATED AND AGREED:

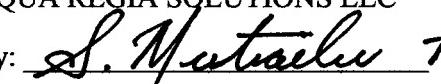
2
3 Dated: July 31 2015

MATERION CORPORATION

4 By: 
5 Name: Gregory Chemitz
6 Title: VP/General Counsel

7
8 Dated: July 15th, 2015

AQUA REGIA SOLUTIONS LLC

9 By:  7-15-15
10 Name: S. MUTIALU
11 Title: CONSULTANT TEMPORARY
MANAGER

12
13 Dated: July 15th, 2015

ASALIENT LLC

14 By:  7-15-15
15 Name: S. MUTIALU
16 Title: CONSULTANT TEMPORARY
MANAGER

17
18 Dated: July 15th, 2015

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19 SUNDARAJAN MUTIALU

1 IT IS SO ORDERED.
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Dated this 10th day of November, 2015.

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6 U.S. DISTRICT JUDGE
KENT J. DAWSON

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9 Dated: July __, 2015

10 Agreed as to Form and Content:

11 By: /s/ Michael A. Zadd
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Charles E. Gianelloni (NV Bar No. 12747)
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